

not yet acted, and so an emergency measure was drawn in the Governor's office and introduced in the House at his request by the Honorable R. Gregg Cherry, your justly distinguished Speaker. It passed both Houses on May 11, the last day of their session, and is recorded as Chapter 492 of the Public Laws of 1935. Immediately after the close of this session copies of this Act were sent to our United States Senators and Congressmen in a letter requesting their assistance in protecting us against the necessity for a Special Session.

It was not until the following August that Congressional action was completed and the Social Security Act—including this feature—became a Federal law. Appropriation for its functioning, however, failed of passage at this Congressional Session and was not finally enacted until the next regular Session of Congress in January of this year.

Promptly thereafter, your Governor sought to obtain approval of the Federal Bureau for a set-up in North Carolina under the Cherry Act. Though this request has been vigorously, earnestly, and repeatedly urged, both by the Governor and the Attorney-General, we have been unable to secure the Board's approval for such a set-up. The Cherry Act did not levy a tax. It could not do so, for at the time of its passage we did not know what tax, if any, would be required or even the exact form that final Congressional action (which did not occur until months later) would assume. It provided, however, for the receipt of "contributions" for maintenance of the activity and for the promulgation of rules and regulations governing participation. In this connection, it is interesting to note that the Federal Act also uses this very word "contribution" which word, in derivation certainly, has a meaning quite contrary to that of the word "tribute," which is synonymous with "tax." But since the Federal Act defines the word "contribution" as used therein as a payment "required" to be made, the bureau insists that this provision can be satisfied only by a State imposed "tax." Nor does it agree with our contention that the terms of this Federal provision would be satisfied by rules which made "contribution" by an industry a prerequisite to participation of its employees. Such an interpretation, it seems to us, would be not only reasonable but also in keeping with the language and the spirit of the Federal Act and would promote, rather than retard, the Congressional purpose manifested in its passage and aid in accomplishing a nation-wide acceptance of what was evidently envisioned as a nation-wide enterprise. Indeed, such a construction would furnish the only possible means for the participation of those states—and there a number of them—whose constitutions forbid the imposition of a tax of this character unless these States can set up machinery for an activity financed by "contributions," their citizens will be taxed by the Federal Government for an enterprise in which they cannot possibly cooperate because of their own fundamental law.

All this is set down not in criticism of any, but simply by way of showing that your Executive not only constantly advocated such insurance but also has earnestly endeavored to avoid the burden of this Special Session and to set up such an activity in accord with our existing laws. In common with our able Attorney General, I believe these sufficient. However, the